TODAY'S ZAMAN

IMF agreement deemed unnecessary for Turkey's reforms

Professor Steve Hanke of The Johns Hopkins University department of applied economics has stated that Prime Minister Recep Tayyip Erdoğan was "smart" not to sign an International Monetary Fund (IMF) stand-by agreement.

Hanke, who is also a senior fellow at the Cato Institute, a public policy research foundation, spoke to reporters at the 9th World Congress of Consuls in İzmir yesterday, a conference gathering together honorary and professional consuls to promote public and business diplomacy. Hanke said Turkey has performed relatively well during the economic crisis but that it will not rebound as strongly as China and India.

Speaking about the economic measures that Turkey has implemented during the economic crisis, Hanke said: "The prime minister made a smart move by not signing an IMF agreement. I think the Turkish government made the right choice in not reacting excessively during the crisis. The prime minister did not panic, unlike many politicians, and this did not put Turkish citizens in an over-the-top panic."

Regarding the economic reforms that Turkey needs to carry out, Hanke highlighted that "Turkey needs to make structural reforms and liberalize its economy further and show the IMF that the country does not need the fund's services."

Speaking about China and India's quick recovery from the crisis, Hanke noted that Turkey, India and China belong to different economic classes and thus could not be directly compared. "Turkey is not in the same league as China and India. We can say that Turkey is in a good position right now, but it's not as strong as those two. Economic reforms should therefore be accelerated, and these reforms should be focused on topics regarding the private sector and also structural issues. Financial reforms should also be realized," Hanke said. The professor also said Brazil would be one of the fastest countries to exit from the crisis.

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